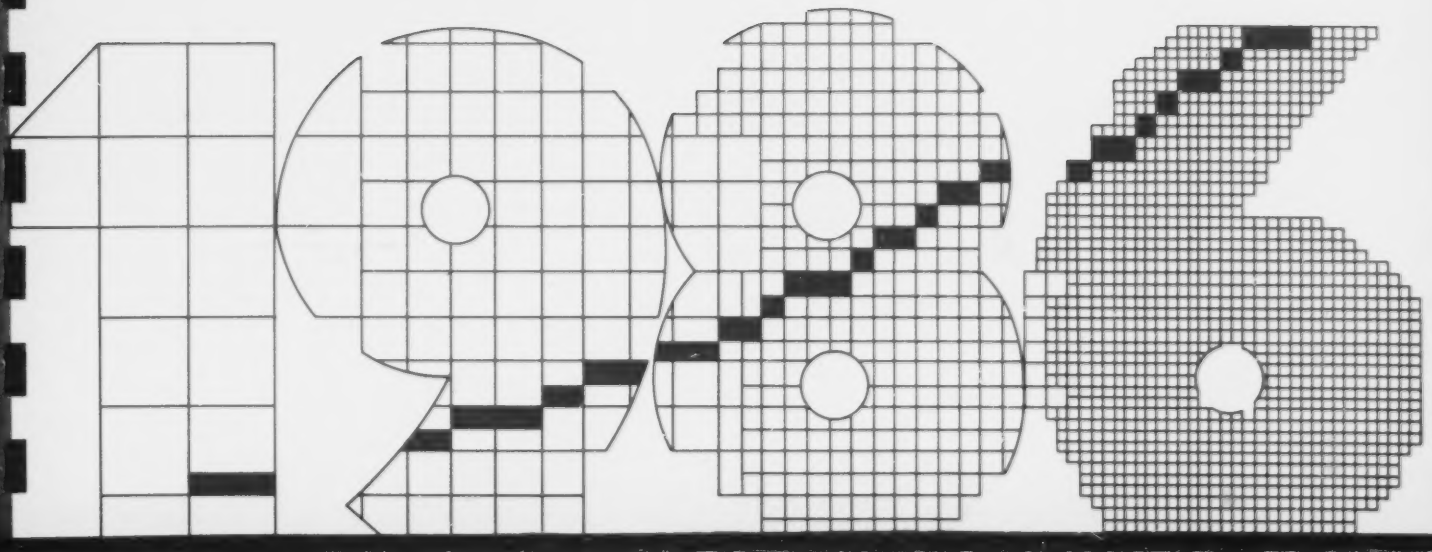
1986
Financial
Ratio
Study

Book Manufacturers'
Ratios

Volume IX

A8740-1.9U 10/86



63RD annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1986 FINANCIAL RATIOS

BOOK MANUFACTURERS

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PRINTING INDUSTRIES OF AMERICA, INC.

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H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

H . R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all, 979 graphic arts firms of various types took part in the 1986 study. This particular volume is the result of financial information contributed by 31 Book Manufacturers across the United States and Canada.

To help readers compare their own financial statements to those of other firms, the data is presented here by sales volume - for example, sales from $500,000 to $1,500,000, sales from $1,500,000 to $5,000,000, etc.: by process specialty - for example, sheet-fed offset, web-fed offset or combination offset; and by product specialty - for example, printing and binding or printing only. Readers can compare their firm's operations with other firms having the same sales volume, process specialty or product specialty in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts and Return on Investment.

The importance of sharing this type of information among the members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

H. R. Margolis Company

H. R. MARGOLIS COMPANY

PRINTING INDUSTRIES OF AMERICA, INC.

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1986 is the 63rd year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

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VALUE ADDED DEFINED

Value added is a technical term for sales of a company's own manufacture. It is calculated as sales less material costs and outside services.

Sales		$100.00
Less: Materials		
Paper	$ 23.00	
Other chargeable materials	5.00	
Outside services	8.00	36.00
Value Added		$ 64.00

Material costs include paper and other chargeable materials such as ink, film, plates etc., but not general supplies or the repair and maintenance of equipment. Outside services are purchases of job-related services - composition, offset preparation, printing, bindery, etc.

Value added financial management is based on a fundamental principle of accounting: Profit is achieved from sales of a company's own manufacture. Time and time again, when printing companies show high sales but low profits, the root of the problem is in the failure to pay attention to the relationship between value added and profit performance.

VALUE ADDED AND PROFITS

Since value added is sales less material costs, it becomes a critical factor in paying your remaining expenses - expenses such as factory labor, other factory expenses, administrative expenses, selling expenses, and interest.

What is left is profit.

All sales do not contribute equally to fixed costs and profits. There are "good sales" and "better sales." Good sales are sales that require more than an average amount of materials and outside services. As a result, they have less value added with which to cover fixed costs and to produce a profit. They are called "good sales" simply because there are no "bad sales" in the printing industry.

Better sales require fewer materials and more inside sales - sales of your company's own manufacture. This type of sale generously covers overhead and pays more dollars into profits. Printing firms that follow value added financial management procedures do all work inside unless they cannot avoid sending it out.

A VALUE ADDED STATEMENT OF OPERATIONS

In keeping with the value added concept, operating statements are more meaningful when prepared on the basis of inside sales. In this type of statement presentation, management starts its financial analysis with value added instead of the sales column. This eliminates the distortion introduced by material costs. For example, in comparing percentages based on sales of a short-run, sheet-fed company and a web offset firm, we could be faced with a significant difference in ratios because of differences in material costs. Although it would appear that the web offset operation had a lower factory labor cost because a substantial amount of its sales were materials, this might, in fact, not be the case at all. Instead the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

	COMPANY S SHEET-FED		COMPANY W WEB-FED	
		% OF SALES		% OF SALES
SALES	$1,000,000	100.00%	$1,000,000	100.00%
MATERIALS				
Paper	197,300	19.73	387,900	38.79
Other chargeable materials	42,800	4.28	35,000	3.50
Outside services	87,900	8.79	30,000	3.00
	328,000	32.80	452,900	45.29
		% OF VALUE ADDED		% OF VALUE ADDED
VALUE ADDED	672,000	100.00%	547,100	100.00%
FACTORY PAYROLL	241,800	35.98	177,500	32.44
FACTORY EXPENSES	121,800	18.13	101,300	18.52
	363,600	54.11	278,800	50.96
GROSS PROFIT	308,400	45.89	268,300	49.04
SELLING AND ADMINISTRATIVE EXPENSES	187,500	27.90	141,700	25.90
INCOME BEFORE INTEREST EXPENSE	120,900	17.99	126,600	23.14
Interest expense	18,300	2.72	7,900	1.44
OPERATING INCOME	102,600	15.27	118,700	21.70
Other income	10,200	1.52	16,200	2.96
INCOME BEFORE INCOME TAXES	$ 112,800	16.79%	$ 134,900	24.66%

The point is that every company's product mix is different, and by using statements of operations based on value added, this product mix difference is eliminated. Consequently, value added is a better statement with which to evaluate your operations.

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000*
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	47.99	43.11	46.61
FACTORY EXPENSES	21.39	20.18	29.64
TOTAL FACTORY COST OF PRODUCT	69.38	63.29	76.25
GROSS PROFIT	30.62	36.71	23.75
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	13.58	9.47	15.77
Selling expenses	10.20	9.09	6.85
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.78	18.56	22.62
INCOME BEFORE INTEREST EXPENSE	6.84	18.15	1.13
Interest expense	3.31	2.02	4.54
OPERATING INCOME (LOSS)	3.53	16.13	(3.41)
Other income	1.75	0.59	0.15
INCOME (LOSS) BEFORE INCOME TAXES	5.28	16.72	(3.26)

* See page 10 for the definition of "Profit Leaders".
** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X
X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%
51.52	46.03	36.26	47.71	46.53
20.46	20.49	20.16	20.56	20.19
71.98	66.52	56.42	68.27	66.72
28.02	33.48	43.58	31.73	33.28
15.31	14.51	11.65	10.19	8.38
10.53	9.71	10.54	11.61	8.37
25.84	24.22	22.19	21.80	16.75
2.18	9.26	21.39	9.93	16.53
3.72	4.39	3.87	1.22	1.09
(1.54)	4.87	17.52	8.71	15.44
2.46	1.94	0.77	1.41	0.49
0.92	6.81	18.29	10.12	15.93

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.46%	4.27%	2.47%
Direct wages	32.23	25.55	35.00
General factory salaries and wages	3.80	5.54	2.66
Packing, shipping and delivery wages	1.20	0.84	0.49
Payroll taxes	3.29	2.57	3.89
Employee benefits	4.01	4.34	2.10
TOTAL FACTORY PAYROLL	47.99	43.11	46.61
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.38	0.36	0.00
Depreciation - other	5.25	4.78	9.03
Taxes - real estate	0.28	0.26	0.46
Taxes - other	0.41	0.70	0.35
Insurance	0.61	0.28	0.33
Building rent	1.90	1.58	4.54
Utilities - heat, light, etc.	2.00	2.00	1.94
Equipment rental	0.50	0.25	2.27
Total Fixed Expenses	11.33	10.21	18.92
Other Expenses			
Factory supplies and expense	3.44	3.69	4.03
Packing, shipping and delivery expense	1.73	0.81	1.57
Repairs and maintenance	3.04	2.89	1.98
Other factory expenses	1.85	2.58	3.14
Total Other Expenses	10.06	9.97	10.72
TOTAL FACTORY EXPENSES	21.39	20.18	29.64
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.12	2.26	3.83
Salaries - office	3.49	1.88	5.31
Payroll taxes	0.47	0.30	0.42
Employee benefits	0.93	0.91	0.49
Bad debts	0.92	0.74	1.12
Office supplies and expenses	0.68	0.35	0.80
Professional fees	1.05	0.73	1.27
Taxes - business	0.35	0.46	0.20
Telephone	0.61	0.49	0.74
Other administrative expenses	1.96	1.35	1.59
TOTAL ADMINISTRATIVE EXPENSES	13.58	9.47	15.77
SELLING EXPENSES			
Salaries - executive	1.23	0.94	0.77
Salaries and commissions - salesmen	4.87	4.15	3.43
Salaries - sales office clerical	1.14	1.34	0.00
Payroll taxes	0.39	0.32	0.27
Employee benefits	0.36	0.37	0.15
Advertising	0.30	0.24	0.95
Travel and entertainment	0.91	1.08	0.79
Other selling expenses	1.00	0.65	0.49
TOTAL SELLING EXPENSES	10.20	9.09	6.85

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
3.12%	3.50%	5.19%	4.04%	3.81%
35.58	32.73	25.10	27.69	25.79
2.97	2.26	1.17	6.80	7.73
1.53	1.32	1.11	1.01	0.70
3.23	2.89	0.95	3.63	3.37
5.09	3.33	2.74	4.54	5.13
51.52	46.03	36.26	47.71	46.53
0.05	0.68	0.48	0.45	0.30
5.54	5.22	5.84	3.79	4.25
0.25	0.27	0.13	0.25	0.32
0.18	0.45	0.39	0.58	0.85
0.79	0.52	0.22	0.65	0.31
1.79	1.89	0.00	1.13	2.38
1.94	1.83	1.45	2.27	2.28
0.34	0.12	0.00	0.52	0.38
10.88	10.98	8.51	9.64	11.07
2.19	3.25	3.59	4.59	3.73
3.14	1.61	1.33	0.67	0.55
3.15	3.41	3.94	2.83	2.36
1.10	1.24	2.79	2.83	2.48
9.58	9.51	11.65	10.92	9.12
20.46	20.49	20.16	20.56	20.19
4.64	2.92	2.58	1.79	2.08
3.37	3.27	2.89	3.26	1.38
0.52	0.52	0.34	0.39	0.28
0.74	1.24	0.31	0.86	1.21
0.61	1.20	0.38	0.78	0.92
0.84	0.79	0.53	0.34	0.26
1.37	0.90	0.91	0.89	0.65
0.23	0.52	0.41	0.30	0.48
0.94	0.67	1.08	0.22	0.20
2.05	2.48	2.22	1.36	0.92
15.31	14.51	11.65	10.19	8.38
1.65	1.10	1.20	1.17	0.81
5.51	4.70	5.35	4.93	3.55
0.78	1.21	0.98	1.75	1.51
0.38	0.35	0.41	0.50	0.28
0.41	0.26	0.17	0.52	0.48
0.17	0.30	0.28	0.21	0.22
0.90	0.99	1.21	0.87	1.02
0.73	0.80	0.94	1.66	0.50
10.53	9.71	10.54	11.61	8.37

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	26.56	26.31	20.64
Other chargeable materials	5.43	5.65	4.49
Outside services	8.90	9.07	8.76
TOTAL MATERIALS	40.89	41.03	33.89
FACTORY PAYROLL	28.48	25.40	31.23
FACTORY EXPENSES	12.66	11.74	19.61
TOTAL FACTORY COST OF PRODUCT	82.03	78.17	84.73
GROSS PROFIT	17.97	21.83	15.27
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	7.98	5.59	10.43
Selling expenses	6.04	5.53	4.43
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.02	11.12	14.86
INCOME BEFORE INTEREST EXPENSE	3.95	10.71	0.41
Interest expense	1.86	1.19	2.90
OPERATING INCOME (LOSS)	2.09	9.52	(2.49)
Other income	1.00	0.34	0.03
INCOME (LOSS) BEFORE INCOME TAXES	3.09	9.86	(2.46)

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	1.11%	1.24%	0.91%
Film	1.11	0.80	1.12
Plates	1.53	1.07	1.48
Other chargeable materials	1.68	2.54	0.98
TOTAL OTHER CHARGEABLE MATERIALS	5.43	5.65	4.49
OUTSIDE SERVICES			
Composition	0.49	0.24	0.00
Offset preparation	1.59	0.82	4.04
Printing	0.71	1.58	0.33
Binding	4.54	3.11	2.10
Other outside services	1.57	3.32	2.29
TOTAL OUTSIDE SERVICES	8.90	9.07	8.76

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.
*** Information not submitted.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%
24.31	31.63	32.63	24.31	23.14
6.45	4.68	2.94	5.75	7.00
10.14	9.33	5.70	7.32	10.76
40.90	45.64	41.27	37.38	40.90
30.38	25.22	21.31	29.86	27.46
12.15	11.08	11.84	12.74	11.69
83.43	81.94	74.42	79.98	80.05
16.57	18.06	25.58	20.02	19.95
9.06	7.81	6.84	6.41	4.95
6.10	5.15	6.18	7.62	5.21
15.16	12.96	13.02	14.03	10.16
1.41	5.10	12.56	5.99	9.79
2.17	2.25	2.28	0.77	0.64
(0.76)	2.85	10.28	5.22	9.15
1.41	1.04	0.45	0.90	0.28
0.65	3.89	10.73	6.12	9.43
1.05%	1.27%		0.96%	1.54%
1.24	0.87		1.28	0.99
2.43	1.34		1.19	1.33
1.73	1.20		2.32	3.14
6.45	4.68	***	5.75	7.00
1.07	0.35		0.18	0.28
3.29	0.36		0.54	0.97
0.35	1.01		0.88	1.88
4.81	6.46		2.45	3.69
0.62	1.15		3.27	3.94
10.14	9.33	***	7.32	10.76

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.04%	2.54%	1.68%
Direct wages	19.03	14.95	23.40
General factory salaries and wages	2.34	3.37	1.80
Packing, shipping and delivery wages	0.71	0.50	0.34
Payroll taxes	1.99	1.51	2.61
Employee benefits	2.37	2.53	1.40
TOTAL FACTORY PAYROLL	28.48	25.40	31.23
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.22	0.22	0.00
Depreciation - other	3.08	2.78	5.97
Taxes - real estate	0.17	0.16	0.32
Taxes - other	0.24	0.41	0.24
Insurance	0.35	0.17	0.22
Building rent	1.08	0.80	3.05
Utilities - heat, light, etc.	1.18	1.18	1.28
Equipment rental	0.32	0.15	1.53
Total Fixed Expenses	6.64	5.87	12.61
Other Expenses			
Factory supplies and expense	2.13	2.22	2.66
Packing, shipping and delivery expense	1.01	0.49	1.01
Repairs and maintenance	1.77	1.69	1.31
Other factory expenses	1.11	1.47	2.02
Total Other Expenses	6.02	5.87	7.00
TOTAL FACTORY EXPENSES	12.66	11.74	19.61
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.85	1.36	2.54
Salaries - office	2.08	1.13	3.53
Payroll taxes	0.28	0.18	0.26
Employee benefits	0.55	0.53	0.30
Bad debts	0.51	0.40	0.77
Office supplies and expenses	0.40	0.21	0.53
Professional fees	0.62	0.42	0.85
Taxes - business	0.20	0.26	0.13
Telephone	0.36	0.29	0.48
Other administrative expenses	1.13	0.81	1.04
TOTAL ADMINISTRATIVE EXPENSES	7.98	5.59	10.43
SELLING EXPENSES			
Salaries - executive	0.73	0.56	0.48
Salaries and commissions - salesmen	2.86	2.52	2.23
Salaries - sales office clerical	0.67	0.83	0.00
Payroll taxes	0.23	0.20	0.18
Employee benefits	0.21	0.23	0.10
Advertising	0.19	0.14	0.61
Travel and entertainment	0.53	0.65	0.52
Other selling expenses	0.62	0.40	0.31
TOTAL SELLING EXPENSES	6.04	5.53	4.43

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.79%	1.88%	3.05%	2.57%	2.29%
20.99	17.92	14.75	17.21	15.06
1.73	1.28	0.69	4.38	4.71
0.89	0.73	0.65	0.63	0.43
1.98	1.58	0.56	2.29	1.99
3.00	1.83	1.61	2.78	2.98
30.38	25.22	21.31	29.86	27.46
0.03	0.36	0.28	0.28	0.19
3.18	2.83	3.43	2.34	2.44
0.15	0.15	0.08	0.16	0.20
0.11	0.24	0.23	0.36	0.50
0.45	0.27	0.13	0.42	0.19
1.04	0.99	0.00	0.58	1.20
1.15	1.00	0.85	1.41	1.35
0.21	0.06	0.00	0.32	0.23
6.32	5.90	5.00	5.87	6.30
1.43	1.82	2.10	2.94	2.28
1.91	0.82	0.78	0.43	0.34
1.83	1.88	2.31	1.76	1.38
0.66	0.66	1.65	1.74	1.39
5.83	5.18	6.84	6.87	5.39
12.15	11.08	11.84	12.74	11.69
2.75	1.60	1.51	1.13	1.25
1.96	1.73	1.71	2.10	0.85
0.32	0.27	0.20	0.25	0.17
0.45	0.72	0.18	0.52	0.71
0.33	0.63	0.22	0.45	0.50
0.52	0.43	0.31	0.21	0.16
0.83	0.47	0.53	0.56	0.36
0.12	0.29	0.24	0.18	0.27
0.57	0.36	0.63	0.14	0.12
1.21	1.31	1.31	0.87	0.56
9.06	7.81	6.84	6.41	4.95
0.97	0.59	0.71	0.75	0.49
3.20	2.43	3.12	3.33	2.23
0.42	0.68	0.57	1.11	0.96
0.22	0.18	0.24	0.33	0.17
0.23	0.14	0.10	0.33	0.29
0.11	0.16	0.17	0.13	0.13
0.52	0.53	0.71	0.54	0.62
0.43	0.44	0.56	1.10	0.32
6.10	5.15	6.18	7.62	5.21

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	1.94%	1.09%	(7.69)%
Receivables	32.96	32.79	22.90
Inventories	19.16	26.94	24.88
Other current assets	3.13	2.53	1.23
TOTAL CURRENT ASSETS	57.19	63.35	41.32
FIXED ASSETS			
Real estate	10.88	11.73	0.11
Less: Accumulated depreciation	3.34	4.70	0.00
	7.54	7.03	0.11
Machinery and equipment	60.92	47.34	86.50
Less: Accumulated depreciation	32.83	25.63	34.02
	28.09	21.71	52.48
Other fixed assets	5.89	4.34	11.67
Less: Accumulated depreciation	2.89	2.75	6.26
	3.00	1.59	5.41
NET FIXED ASSETS	38.63	30.33	58.00
OTHER ASSETS	4.18	6.32	0.68
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	11.25	7.47	15.94
Accounts payable	15.19	19.68	10.93
Other current liabilities	10.40	7.00	11.90
TOTAL CURRENT LIABILITIES	36.84	34.15	38.77
LONG-TERM LIABILITIES	33.12	18.77	56.49
TOTAL LIABILITIES	69.96	52.92	95.26
SHAREHOLDERS' AND PROPRIETORS' EQUITY	30.04	47.08	4.74
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.55	1.86	1.07
QUICK RATIO	1.03	1.07	0.42
TOTAL LIABILITIES TO EQUITY	2.33	1.12	20.10
LONG-TERM LIABILITIES TO EQUITY	1.10	0.40	11.92
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.54	0.54	0.39

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
6.97%	0.28%	(0.73)%	2.71%	2.00%
31.80	37.65	40.37	31.64	29.01
15.71	17.95	22.64	21.79	29.09
2.29	2.00	4.24	5.88	1.67
56.77	57.88	66.52	62.02	61.77
6.70	12.35	14.53	16.41	10.33
2.06	3.32	7.59	5.63	3.27
4.64	9.03	6.94	10.78	7.06
79.05	53.42	65.72	45.43	38.15
46.14	27.81	41.36	26.74	17.76
32.91	25.61	24.36	18.69	20.39
7.15	5.34	6.98	3.50	3.03
4.11	2.14	4.90	1.59	1.68
3.04	3.20	2.08	1.91	1.35
40.59	37.84	33.38	31.38	28.80
2.64	4.28	0.10	6.60	9.43
100.00	100.00	100.00	100.00	100.00
9.24	16.50	19.79	5.05	1.31
15.06	17.96	18.75	13.36	20.15
12.96	5.68	0.77	13.37	10.11
37.26	40.14	39.31	31.78	31.57
41.99	32.89	17.04	17.74	19.64
79.25	73.03	56.35	49.52	51.21
20.75	26.97	43.65	50.48	48.79
100.00	100.00	100.00	100.00	100.00
1.52	1.44	1.69	1.95	1.96
1.10	0.99	1.12	1.27	1.04
3.82	2.71	1.29	0.98	1.05
2.02	1.22	0.39	0.35	0.40
0.58	0.52	0.63	0.59	0.47

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 38,720	$ 48,841	$ 35,445
Average assets per factory employee (Excluding Executives)	51,940	60,483	49,514
Average net worth per employee - All employees	11,995	22,021	4,849
Average gross plant investment per factory employee (Excluding Executives)	37,585	34,972	49,251
Net worth percentage of fixed assets	105.92%	202.53%	12.23%
EMPLOYEES			
Percent factory - All employees	80.13%	85.60%	76.20%
Percent administrative - All employees	11.09	6.52	18.10
Percent sales - All employees	8.78	7.88	5.70
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 67,499	$ 73,058	$ 57,261
Sales per factory employee	86,125	85,455	78,399
Sales less material per factory employee	49,492	50,492	51,263
Sales per administrative employee	976,302	2,339,443	307,029
EXCLUDING EXECUTIVES			
Sales per employee - All employees	73,473	79,558	62,495
Sales per factory employee	91,203	91,726	79,629
Sales less material per factory employee	52,323	54,236	52,068
SALES PER SALESMAN	1,047,865	1,642,969	135,960
SALES TO CURRENT ASSETS	341%	287%	452%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	37.94%	32.94%	40.86%
Factory payroll percentage of gross plant investment	73.74	73.32	50.14
Payroll per employee - All employees	$ 24,450	$ 24,148	$ 20,728
Payroll per factory employee	22,946	21,642	20,527
Payroll per administrative employee	32,796	49,013	20,473
Payroll per sales employee	31,736	38,578	21,601
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 19,374	$ 18,423	$ 17,069
Payroll per factory employee	18,770	17,101	17,310
Payroll per administrative employee	16,490	17,604	14,675
Payroll per sales employee	26,702	30,699	19,208
EXECUTIVE PAYROLL			
Payroll per executive - All executives	39,343	40,032	29,540
Payroll per factory executive	31,801	32,366	18,170
Payroll per administrative executive	52,925	68,825	29,233
Payroll per sales executive	35,619	49,065	8,167
RECEIVABLES			
Collection period	68.6	77.9	54.4
PROFIT			
Gross profit percentage of sales	17.97%	21.83%	15.27%
Average gross profit per factory employee	$ 16,872	$ 20,272	$ 14,702
Income (loss) before taxes percentage of sales	3.09%	9.86%	(2.46)%
Average income before taxes per employee	$ 2,513	$ 7,086	$ 1,102

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 28,303	$ 42,329	$ 35,042	$ 44,659	$ 55,741
37,850	58,069	49,879	57,783	65,785
5,549	9,912	16,227	22,652	24,919
35,863	38,984	40,666	33,516	32,125
78.74%	77.84%	132.92%	195.64%	237.33%
80.44%	79.04%	78.76%	82.50%	89.03%
10.23	11.37	11.07	9.16	4.24
9.33	9.59	10.17	8.34	6.73
$ 53,680	$ 78,231	$ 60,139	$ 70,077	$ 79,518
68,593	100,968	76,674	86,143	89,845
39,299	53,009	45,016	53,664	53,230
546,748	722,305	546,044	1,891,659	3,236,143
59,552	84,860	67,205	75,590	85,735
72,606	107,317	83,797	91,895	95,690
41,501	56,209	49,195	57,279	56,757
502,930	1,043,466	928,029	1,618,689	2,000,440
356%	341%	303%	288%	278%
40.90%	33.56%	29.65%	39.70%	34.59%
70.76	71.40	48.55	87.11	85.70
$ 21,464	$ 25,460	$ 17,803	$ 27,111	$ 27,321
19,896	24,058	16,127	25,104	24,399
27,879	29,853	19,451	44,873	63,794
22,453	31,461	27,422	43,701	44,156
$ 16,981	$ 20,401	$ 14,401	$ 21,015	$ 20,434
16,306	20,038	13,281	19,897	19,011
15,394	15,330	11,443	19,487	20,684
20,163	26,996	24,070	34,653	34,013
30,489	44,617	30,692	44,035	44,702
23,955	35,670	28,140	38,590	34,480
40,412	60,213	36,066	63,035	85,204
19,488	36,026	33,787	58,609	56,704
62.3	76.6	95.3	69.1	69.2
16.57%	18.06%	25.58%	20.02%	19.95%
$ 12,153	$ 19,222	$ 21,623	$ 18,919	$ 19,596
0.65%	3.89%	10.73%	6.12%	9.43%
$ 260	$ 2,802	$ 6,497	$ 4,634	$ 7,381

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 1.00	$ 1.02	$(5.40)
Receivables	17.99	19.86	14.50
Inventories	11.76	20.83	16.57
Marketable securities	0.64	0.00	0.00
Other current assets	1.35	1.68	0.79
	32.74	43.39	26.46
Plant Investment:			
Land and building	6.20	6.61	0.07
Machinery and equipment	34.04	28.88	54.42
Other fixed assets	3.25	2.73	7.43
	43.49	38.22	61.92
Non-Current Assets	2.80	5.03	0.42
TOTAL INVESTMENT	79.03	86.64	88.80
INVESTMENT TURNOVER PER $100 OF SALES	126.53%	115.42%	112.61%
EARNINGS			
Cost of Product	$82.03	$78.17	$84.73
Selling Expenses	6.04	5.53	4.43
Administrative Expenses	7.98	5.59	10.43
	96.05	89.29	99.59
Income Before Interest, Other Income, and Taxes	3.95	10.71	0.41
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	5.00%	12.36%	0.46%

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$5,000,000**	SALES FROM $5,000,000-$10,000,000		SALES OVER $10,000,000	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 3.64	$ 0.15	$(0.27)	$ 1.83	$ 1.66
16.69	19.81	23.48	18.08	18.04
8.58	9.30	12.17	15.99	25.17
0.00	0.00	0.00	2.20	0.00
1.23	1.28	3.31	1.73	0.87
30.14	30.54	38.69	39.83	45.74
3.59	7.31	7.90	9.21	5.96
42.74	27.52	35.37	27.50	25.63
3.31	2.95	4.22	2.16	1.99
49.64	37.78	47.49	38.87	33.58
1.30	2.77	0.08	4.97	7.51
81.08	71.09	86.26	83.67	86.83
123.33%	140.67%	115.93%	119.52%	115.17%
$83.43	$81.94	$74.42	$79.98	$80.05
6.10	5.15	6.18	7.62	5.21
9.06	7.81	6.84	6.41	4.95
98.59	94.90	87.44	94.01	90.21
1.41	5.10	12.56	5.99	9.79
1.74%	7.17%	14.56%	7.16%	11.28%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%
FACTORY PAYROLL	47.34	44.21
FACTORY EXPENSES	21.15	17.60
TOTAL FACTORY COST OF PRODUCT	68.49	61.81
GROSS PROFIT	31.51	38.19
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	14.18	8.89
Selling expenses	10.95	11.20
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.13	20.09
INCOME BEFORE INTEREST EXPENSE	6.38	18.10
Interest expense	3.00	2.72
OPERATING INCOME	3.38	15.38
Other income	1.34	0.10
INCOME BEFORE INCOME TAXES	4.72	15.48

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
X	X	X
X	X	X
100.00%	100.00%	100.00%
48.81	46.38	37.98
23.02	21.47	20.45
71.83	67.85	58.43
28.17	32.15	41.57
12.57	12.53	12.30
6.92	11.32	9.81
19.49	23.85	22.11
8.68	8.30	19.46
2.49	3.88	1.97
6.19	4.42	17.49
2.50	2.18	1.46
8.69	6.60	18.95

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	3.80%	4.58%
Direct wages	31.37	25.62
General factory salaries and wages	4.39	6.50
Packing, shipping and delivery wages	0.92	0.96
Payroll taxes	3.33	2.23
Employee benefits	3.53	4.32
TOTAL FACTORY PAYROLL	47.34	44.21
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.47	0.38
Depreciation - other	5.21	3.74
Taxes - real estate	0.31	0.35
Taxes - other	0.38	0.74
Insurance	0.73	0.19
Building rent	1.70	(0.23)
Utilities - heat, light, etc.	1.70	1.95
Equipment rental	0.63	0.23
Total Fixed Expenses	11.13	7.35
Other Expenses		
Factory supplies and expense	3.60	4.37
Packing, shipping and delivery expense	1.57	0.40
Repairs and maintenance	2.58	2.46
Other factory expenses	2.27	3.02
Total Other Expenses	10.02	10.25
TOTAL FACTORY EXPENSES	21.15	17.60
ADMINISTRATIVE EXPENSES		
Salaries - executive	3.62	2.70
Salaries - office	4.19	2.41
Payroll taxes	0.51	0.26
Employee benefits	1.03	0.64
Bad debts	0.52	(0.19)
Office supplies and expenses	0.74	0.32
Professional fees	0.93	0.33
Taxes - business	0.34	0.12
Telephone	0.66	0.33
Other administrative expenses	1.64	1.97
TOTAL ADMINISTRATIVE EXPENSES	14.18	8.89
SELLING EXPENSES		
Salaries - executive	1.14	1.04
Salaries and commissions - salesmen	5.66	4.68
Salaries - sales office clerical	0.97	2.11
Payroll taxes	0.39	0.28
Employee benefits	0.29	0.51
Advertising	0.45	0.33
Travel and entertainment	0.82	1.06
Other selling expenses	1.23	1.19
TOTAL SELLING EXPENSES	10.95	11.20

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
2.34%	3.41%	4.49%
33.52	30.99	20.86
5.29	2.65	5.19
1.63	1.61	1.07
3.07	2.96	2.55
2.96	4.76	3.82
48.81	46.38	37.98
0.28	0.33	0.51
5.25	5.50	5.90
0.13	0.31	0.24
0.94	0.26	0.50
0.07	0.69	0.55
4.02	1.34	0.25
2.68	2.12	2.08
0.12	0.51	0.40
13.49	11.06	10.43
1.89	3.95	4.33
1.62	1.74	1.82
3.13	3.81	3.79
2.89	0.91	0.08
9.53	10.41	10.02
23.02	21.47	20.45
2.37	2.30	2.20
2.29	2.84	1.92
0.23	0.45	0.48
0.46	0.96	1.68
1.17	1.55	1.15
0.23	0.79	0.56
1.19	1.02	1.15
0.64	0.30	1.16
0.27	0.67	0.95
3.72	1.65	1.05
12.57	12.53	12.30
1.61	1.34	1.00
2.26	5.11	5.43
0.92	1.60	0.73
0.20	0.51	0.53
0.27	0.55	0.31
0.30	0.10	0.13
0.63	1.27	1.61
0.73	0.84	0.07
6.92	11.32	9.81

REPORT ON OPERATIONS - SALES = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIALS		
Paper	22.20	24.33
Other chargeable materials	5.70	6.43
Outside services	10.61	7.04
TOTAL MATERIALS	38.51	37.80
FACTORY PAYROLL	28.91	27.59
FACTORY EXPENSES	13.16	10.88
TOTAL FACTORY COST OF PRODUCT	80.58	76.27
GROSS PROFIT	19.42	23.73
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	8.65	5.47
Selling expenses	6.77	7.04
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	15.42	12.51
INCOME BEFORE INTEREST EXPENSE	4.00	11.22
Interest expense	1.78	1.62
OPERATING INCOME	2.22	9.60
Other income	0.76	0.07
INCOME BEFORE INCOME TAXES	2.98	9.67

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS		
Ink	1.13%	1.33%
Film	1.21	1.07
Plates	1.58	1.22
Other chargeable materials	1.78	2.81
TOTAL OTHER CHARGEABLE MATERIALS	5.70	6.43
OUTSIDE SERVICES		
Composition	0.48	0.00
Offset preparation	2.87	0.00
Printing	0.61	0.00
Binding	5.38	0.00
Other outside services	1.27	7.04
TOTAL OUTSIDE SERVICES	10.61	7.04

** Sample insufficient for Profit Leaders.
*** Information not submitted.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%
31.92	31.01	28.31
5.45	4.94	4.63
6.23	8.03	9.25
43.60	43.98	42.19
28.03	26.32	21.90
13.02	11.88	11.83
84.65	82.18	75.92
15.35	17.82	24.08
7.01	6.93	7.12
3.96	6.32	5.70
10.97	13.25	12.82
4.38	4.57	11.26
1.33	2.01	1.13
3.05	2.56	10.13
1.55	1.21	0.84
4.60	3.77	10.97
1.28%	1.09%	1.95%
1.05	0.92	0.00
0.86	1.56	1.25
2.26	1.37	1.43
5.45	4.94	4.63
0.36	0.45	
0.56	0.39	
1.28	0.57	
2.25	4.70	
1.78	1.92	
6.23	8.03	***

SUPPORTING SCHEDULES - SALES = 100%

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	2.32%	2.85%
Direct wages	19.04	15.87
General factory salaries and wages	2.80	4.18
Packing, shipping and delivery wages	0.56	0.59
Payroll taxes	2.08	1.43
Employee benefits	2.11	2.67
TOTAL FACTORY PAYROLL	28.91	27.59
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.26	0.24
Depreciation - other	3.24	2.29
Taxes - real estate	0.20	0.23
Taxes - other	0.24	0.47
Insurance	0.44	0.12
Building rent	1.05	(0.16)
Utilities - heat, light, etc.	1.04	1.22
Equipment rental	0.41	0.15
Total Fixed Expenses	6.88	4.56
Other Expenses		
Factory supplies and expense	2.33	2.71
Packing, shipping and delivery expense	0.98	0.26
Repairs and maintenance	1.54	1.51
Other factory expenses	1.43	1.84
Total Other Expenses	6.28	6.32
TOTAL FACTORY EXPENSES	13.16	10.88
ADMINISTRATIVE EXPENSES		
Salaries - executive	2.20	1.66
Salaries - office	2.60	1.49
Payroll taxes	0.31	0.17
Employee benefits	0.61	0.40
Bad debts	0.31	(0.10)
Office supplies and expenses	0.45	0.19
Professional fees	0.58	0.20
Taxes - business	0.19	0.07
Telephone	0.40	0.20
Other administrative expenses	1.00	1.19
TOTAL ADMINISTRATIVE EXPENSES	8.65	5.47
SELLING EXPENSES		
Salaries - executive	0.70	0.64
Salaries and commissions - salesmen	3.52	2.95
Salaries - sales office clerical	0.57	1.34
Payroll taxes	0.25	0.18
Employee benefits	0.18	0.32
Advertising	0.28	0.21
Travel and entertainment	0.49	0.66
Other selling expenses	0.78	0.74
TOTAL SELLING EXPENSES	6.77	7.04

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
1.29%	1.90%	2.60%
19.23	17.53	12.06
3.06	1.56	2.97
0.92	0.92	0.62
1.79	1.68	1.47
1.74	2.73	2.18
28.03	26.32	21.90
0.18	0.19	0.30
2.95	2.99	3.41
0.08	0.18	0.14
0.54	0.14	0.28
0.05	0.36	0.32
2.11	0.68	0.14
1.57	1.19	1.20
0.07	0.30	0.23
7.55	6.03	6.02
1.15	2.31	2.50
0.90	0.90	1.06
1.85	2.16	2.20
1.57	0.48	0.05
5.47	5.85	5.81
13.02	11.88	11.83
1.36	1.28	1.28
1.28	1.51	1.11
0.13	0.25	0.28
0.26	0.56	0.96
0.62	0.86	0.67
0.13	0.45	0.32
0.70	0.56	0.67
0.36	0.17	0.67
0.15	0.37	0.56
2.02	0.92	0.60
7.01	6.93	7.12
0.92	0.77	0.58
1.25	2.75	3.15
0.54	0.95	0.43
0.12	0.29	0.31
0.17	0.31	0.18
0.16	0.06	0.08
0.36	0.71	0.93
0.44	0.48	0.04
3.96	6.32	5.70

CHAPTER 2 - BY PROCESS SPECIALTY

BALANCE SHEET

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
ASSETS		
CURRENT ASSETS		
Cash	2.25%	(0.03)%
Receivables	32.39	39.50
Inventories	18.81	19.36
Other current assets	2.75	2.02
TOTAL CURRENT ASSETS	56.20	60.85
FIXED ASSETS		
Real estate	11.18	16.31
Less: Accumulated depreciation	2.95	7.03
	8.23	9.28
Machinery and equipment	63.86	54.09
Less: Accumulated depreciation	34.38	26.23
	29.48	27.86
Other fixed assets	6.08	4.57
Less: Accumulated depreciation	3.20	2.61
	2.88	1.96
NET FIXED ASSETS	40.59	39.10
OTHER ASSETS	3.21	0.05
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	9.55	9.27
Accounts payable	13.02	17.51
Other current liabilities	11.01	8.42
TOTAL CURRENT LIABILITIES	33.58	35.20
LONG-TERM LIABILITIES	35.13	13.55
TOTAL LIABILITIES	68.71	48.75
SHAREHOLDERS' AND PROPRIETORS' EQUITY	31.29	51.25
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.67	1.73
QUICK RATIO	1.11	1.18
TOTAL LIABILITIES TO EQUITY	2.20	0.95
LONG-TERM LIABILITIES TO EQUITY	1.12	0.26
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.54	0.48

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
1.94%	1.61%	1.79%
23.03	39.02	32.97
26.66	16.71	14.33
8.18	1.75	4.56
59.81	59.09	53.65
14.53	10.04	10.74
4.31	3.92	3.59
10.22	6.12	7.15
51.35	61.05	48.59
27.95	35.35	29.44
23.40	25.70	19.15
2.44	6.95	4.91
1.37	3.19	3.29
1.07	3.76	1.62
34.69	35.58	27.92
5.50	5.33	18.43
100.00	100.00	100.00
6.87	16.22	8.51
21.15	16.30	10.36
6.27	11.53	6.75
34.29	44.05	25.62
25.11	28.45	34.05
59.40	72.50	59.67
40.60	27.50	40.33
100.00	100.00	100.00
1.74	1.34	2.09
0.97	0.96	1.53
1.46	2.64	1.48
0.62	1.03	0.84
0.54	0.58	0.61

SIGNIFICANT FACTS

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 34,313	$ 33,279
Average assets per factory employee (Excluding Executives)	47,791	42,387
Average net worth per employee - All employees	10,774	17,193
Average gross plant investment per factory employee (Excluding Executives)	36,325	29,122
Net worth percentage of fixed assets	99.11%	129.18%
EMPLOYEES		
Percent factory - All employees	78.46%	84.10%
Percent administrative - All employees	13.00	7.41
Percent sales - All employees	8.54	8.49
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 61,997	$ 71,111
Sales per factory employee	80,622	84,270
Sales less material per factory employee	48,580	52,371
Sales per administrative employee	668,642	1,317,979
EXCLUDING EXECUTIVES		
Sales per employee - All employees	68,028	77,819
Sales per factory employee	85,454	90,707
Sales less material per factory employee	51,421	56,370
SALES PER SALESMAN	800,103	1,727,096
SALES TO CURRENT ASSETS	352%	366%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES		
Total payroll percentage of sales	39.85%	36.74%
Factory payroll percentage of gross plant investment	73.97	85.30
Payroll per employee - All employees	$ 23,772	$ 26,165
Payroll per factory employee	22,172	23,094
Payroll per administrative employee	31,936	49,064
Payroll per sales employee	30,649	44,088
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 18,969	$ 20,413
Payroll per factory employee	18,244	18,587
Payroll per administrative employee	15,880	17,810
Payroll per sales employee	27,684	38,133
EXECUTIVE PAYROLL		
Payroll per executive - All executives	35,529	43,310
Payroll per factory executive	28,261	32,985
Payroll per administrative executive	47,793	71,118
Payroll per sales executive	28,740	61,303
RECEIVABLES		
Collection period	66.8	69.9
PROFIT		
Gross profit percentage of sales	19.42%	23.73%
Average gross profit per factory employee	$ 16,852	$ 21,432
Income before taxes percentage of sales	2.98%	9.67%
Average income before taxes per employee	$ 2,378	$ 6,727

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 56,894	$ 39,751	$ 61,946
67,486	54,579	81,468
22,095	11,287	23,632
43,447	39,330	51,368
206.29%	88.55%	142.19%
86.97%	79.03%	81.54%
6.64	9.96	7.99
6.39	11.01	10.47
$ 75,952	$ 75,866	$ 78,768
89,005	98,187	95,621
49,751	53,148	55,192
2,690,032	840,766	1,161,280
79,725	82,936	86,833
91,738	104,989	103,683
51,232	56,717	59,858
1,382,606	1,236,060	1,273,228
260%	355%	257%
34.07%	34.99%	30.19%
62.11	73.89	45.58
$ 25,291	$ 25,650	$ 24,070
23,776	24,259	21,407
42,804	30,453	44,559
40,463	33,157	32,025
$ 20,553	$ 20,025	$ 17,652
20,498	19,358	16,441
19,606	15,981	17,009
26,470	27,893	26,660
58,841	38,445	35,384
45,870	31,970	30,987
88,420	49,049	59,562
74,513	34,629	34,191
63.6	74.9	102.7
15.35%	17.82%	24.08%
$ 15,263	$ 18,940	$ 24,543
4.60%	3.77%	10.97%
$ 3,563	$ 2,868	$ 8,392

RETURN ON INVESTMENT - PER $100 OF SALES

	SHEET-FED OFFSET	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 0.98	$ 0.05
Receivables	17.72	18.28
Inventories	10.49	8.54
Marketable securities	0.00	0.00
Other current assets	1.59	1.00
	30.78	27.87
Plant Investment:		
Land and building	6.25	7.60
Machinery and equipment	34.62	23.94
Other fixed assets	3.37	2.05
	44.24	33.59
Non-Current Assets	2.10	0.02
TOTAL INVESTMENT	77.12	61.48
INVESTMENT TURNOVER PER $100 OF SALES	129.67%	162.65%
EARNINGS		
Cost of Product	$80.58	$76.27
Selling Expenses	6.77	7.04
Administrative Expenses	8.65	5.47
	96.00	88.78
Income Before Interest, Other Income, and Taxes	4.00	11.22
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	5.19%	18.25%

** Sample insufficient for Profit Leaders.

WEB-FED OFFSET**	COMBINATION OFFSET	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 1.63	$ 0.86	$ 1.42
16.27	19.46	25.82
24.62	8.49	11.22
4.94	0.00	0.00
0.95	1.08	3.55
48.41	29.89	42.01
10.15	5.16	8.42
37.18	31.77	38.10
1.79	3.55	3.83
49.12	40.48	50.35
3.73	3.61	14.60
101.26	73.98	106.96
98.76%	135.17%	93.49%
$84.65	$82.18	$75.92
3.96	6.32	5.70
7.01	6.93	7.12
95.62	95.43	88.74
4.38	4.57	11.26
4.33%	6.18%	10.53%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	48.70	43.23	43.21
FACTORY EXPENSES	21.08	20.19	23.46
TOTAL FACTORY COST OF PRODUCT	69.78	63.42	66.67
GROSS PROFIT	30.22	36.58	33.33
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	13.43	9.51	14.63
Selling expenses	10.37	8.30	9.02
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.80	17.81	23.65
INCOME BEFORE INTEREST EXPENSE	6.42	18.77	9.68
Interest expense	3.31	2.11	3.30
OPERATING INCOME	3.11	16.66	6.38
Other income	1.95	0.70	0.39
INCOME BEFORE INCOME TAXES	5.06	17.36	6.77

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.50%	4.36%	3.16%
Direct wages	32.48	25.50	30.48
General factory salaries and wages	4.05	5.64	2.16
Packing, shipping and delivery wages	1.35	0.85	0.20
Payroll taxes	3.23	2.47	3.73
Employee benefits	4.09	4.41	3.48
TOTAL FACTORY PAYROLL	48.70	43.23	43.21
FACTORY EXPENSES			
Fixed Expenses.			
Depreciation - real estate	0.43	0.39	0.05
Depreciation - other	5.10	4.99	6.24
Taxes - real estate	0.31	0.26	0.06
Taxes - other	0.42	0.82	0.34
Insurance	0.53	0.30	1.18
Building rent	1.86	1.76	2.19
Utilities - heat, light, etc.	1.96	1.85	2.25
Equipment rental	0.32	0.27	1.74
Total Fixed Expenses	10.93	10.64	14.05
Other Expenses			
Factory supplies and expense	3.45	2.99	3.32
Packing, shipping and delivery expense	1.73	0.94	1.73
Repairs and maintenance	3.14	2.86	2.35
Other factory expenses	1.83	2.76	2.01
Total Other Expenses	10.15	9.55	9.41
TOTAL FACTORY EXPENSES	21.08	20.19	23.46
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.77	1.86	5.48
Salaries - office	3.48	2.13	3.58
Payroll taxes	0.46	0.28	0.55
Employee benefits	1.00	0.91	0.45
Bad debts	0.97	0.86	0.57
Office supplies and expenses	0.68	0.33	0.67
Professional fees	1.09	0.80	0.81
Taxes - business	0.37	0.55	0.26
Telephone	0.60	0.52	0.69
Other administrative expenses	2.01	1.27	1.57
TOTAL ADMINISTRATIVE EXPENSES	13.43	9.51	14.63
SELLING EXPENSES			
Salaries - executive	1.37	0.90	0.29
Salaries and commissions - salesmen	4.79	3.94	5.32
Salaries - sales office clerical	1.20	1.01	0.74
Payroll taxes	0.39	0.30	0.39
Employee benefits	0.36	0.26	0.37
Advertising	0.34	0.25	0.06
Travel and entertainment	0.84	0.89	1.41
Other selling expenses	1.08	0.75	0.44
TOTAL SELLING EXPENSES	10.37	8.30	9.02

** Sample insufficient for Profit Leaders.

REPORT ON OPERATIONS - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	27.14	28.05	22.57
Other chargeable materials	5.34	5.31	6.02
Outside services	7.66	8.21	17.30
TOTAL MATERIALS	40.14	41.57	45.89
FACTORY PAYROLL	29.23	25.23	23.44
FACTORY EXPENSES	12.60	11.61	13.13
TOTAL FACTORY COST OF PRODUCT	81.97	78.41	82.46
GROSS PROFIT	18.03	21.59	17.54
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	8.02	5.56	7.67
Selling expenses	6.26	5.03	4.56
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	14.28	10.59	12.23
INCOME BEFORE INTEREST EXPENSE	3.75	11.00	5.31
Interest expense	1.93	1.24	1.43
OPERATING INCOME	1.82	9.76	3.88
Other income	1.13	0.41	0.16
INCOME BEFORE INCOME TAXES	2.95	10.17	4.04

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.98%	0.66%	1.92%
Film	1.15	0.83	0.90
Plates	1.50	0.94	1.73
Other chargeable materials	1.71	2.88	1.47
TOTAL OTHER CHARGEABLE MATERIALS	5.34	5.31	6.02
OUTSIDE SERVICES			
Composition	0.50	0.21	0.42
Offset preparation	1.76	0.74	0.38
Printing	0.80	1.43	0.06
Binding	2.94	2.82	15.54
Other outside services	1.66	3.01	0.90
TOTAL OUTSIDE SERVICES	7.66	8.21	17.30

** Sample insufficient for Profit Leaders.

SUPPORTING SCHEDULES - SALES = 100%

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.11%	2.58%	1.56%
Direct wages	19.41	14.74	16.56
General factory salaries and wages	2.51	3.42	1.22
Packing, shipping and delivery wages	0.79	0.51	0.12
Payroll taxes	1.98	1.44	2.02
Employee benefits	2.43	2.54	1.96
TOTAL FACTORY PAYROLL	29.23	25.23	23.44
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.25	0.24	0.03
Depreciation - other	3.02	2.88	3.52
Taxes - real estate	0.19	0.16	0.04
Taxes - other	0.25	0.49	0.17
Insurance	0.32	0.18	0.56
Building rent	1.06	0.87	1.22
Utilities - heat, light, etc.	1.18	1.07	1.20
Equipment rental	0.19	0.16	1.17
Total Fixed Expenses	6.46	6.05	7.91
Other Expenses			
Factory supplies and expense	2.15	1.79	2.01
Packing, shipping and delivery expense	1.04	0.56	0.77
Repairs and maintenance	1.85	1.65	1.26
Other factory expenses	1.10	1.56	1.18
Total Other Expenses	6.14	5.56	5.22
TOTAL FACTORY EXPENSES	12.60	11.61	13.13
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.68	1.10	3.01
Salaries - office	2.10	1.28	1.83
Payroll taxes	0.28	0.17	0.26
Employee benefits	0.59	0.53	0.25
Bad debts	0.55	0.46	0.28
Office supplies and expenses	0.41	0.19	0.35
Professional fees	0.66	0.46	0.41
Taxes - business	0.21	0.31	0.14
Telephone	0.36	0.31	0.36
Other administrative expenses	1.18	0.75	0.78
TOTAL ADMINISTRATIVE EXPENSES	8.02	5.56	7.67
SELLING EXPENSES			
Salaries - executive	0.81	0.53	0.18
Salaries and commissions - salesmen	2.92	2.39	2.53
Salaries - sales office clerical	0.70	0.63	0.45
Payroll taxes	0.24	0.18	0.20
Employee benefits	0.21	0.16	0.21
Advertising	0.21	0.15	0.03
Travel and entertainment	0.50	0.52	0.73
Other selling expenses	0.67	0.47	0.23
TOTAL SELLING EXPENSES	6.26	5.03	4.56

** Sample insufficient for Profit Leaders.

BALANCE SHEET

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	1.54%	1.22%	4.62%
Receivables	33.32	31.81	30.54
Inventories	19.32	27.70	18.08
Other current assets	3.06	1.84	3.58
TOTAL CURRENT ASSETS	57.24	62.57	56.82
FIXED ASSETS			
Real estate	11.18	12.94	8.90
Less: Accumulated depreciation	3.78	5.51	0.41
	7.40	7.43	8.49
Machinery and equipment	60.47	48.85	63.95
Less: Accumulated depreciation	32.95	27.90	32.00
	27.52	20.95	31.95
Other fixed assets	6.07	4.55	4.61
Less: Accumulated depreciation	2.95	3.05	2.45
	3.12	1.50	2.16
NET FIXED ASSETS	38.04	29.88	42.60
OTHER ASSETS	4.72	7.55	0.58
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	10.64	8.66	15.33
Accounts payable	15.33	19.50	14.32
Other current liabilities	11.12	6.83	5.49
TOTAL CURRENT LIABILITIES	37.09	34.99	35.14
LONG-TERM LIABILITIES	34.00	17.43	27.21
TOTAL LIABILITIES	71.09	52.42	62.35
SHAREHOLDERS' AND PROPRIETORS' EQUITY	28.91	47.58	37.65
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.54	1.79	1.62
QUICK RATIO	1.02	1.00	1.10
TOTAL LIABILITIES TO EQUITY	2.46	1.10	1.66
LONG-TERM LIABILITIES TO EQUITY	1.18	0.37	0.72
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.54	0.57	0.50

** Sample insufficient for Profit Leaders.

SIGNIFICANT FACTS

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 37,605	$ 49,225	$ 46,242
Average assets per factory employee (Excluding Executives)	50,036	60,813	64,790
Average net worth per employee - All employees	11,330	22,244	16,479
Average gross plant investment per factory employee (Excluding Executives)	36,129	36,228	47,411
Net worth percentage of fixed assets	107.93%	215.70%	92.35%
EMPLOYEES			
Percent factory - All employees	80.58%	85.55%	77.12%
Percent administrative - All employees	10.37	7.08	15.89
Percent sales - All employees	9.05	7.37	6.99
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 63,589	$ 68,662	$ 93,887
Sales per factory employee	80,499	80,415	124,096
Sales less material per factory employee	47,257	46,942	64,578
Sales per administrative employee	971,511	2,290,957	1,008,640
EXCLUDING EXECUTIVES			
Sales per employee - All employees	68,994	74,676	103,710
Sales per factory employee	85,099	86,238	132,401
Sales less material per factory employee	49,942	50,385	68,400
SALES PER SALESMAN	1,014,285	1,528,963	1,316,511
SALES TO CURRENT ASSETS	337%	284%	364%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	38.77%	32.21%	32.37%
Factory payroll percentage of gross plant investment	74.82	66.20	66.46
Payroll per employee - All employees	$ 23,817	$ 22,022	$ 28,724
Payroll per factory employee	22,423	20,167	26,474
Payroll per administrative employee	30,992	39,261	44,973
Payroll per sales employee	31,092	34,283	36,079
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 18,899	$ 16,916	$ 22,579
Payroll per factory employee	18,373	15,861	21,450
Payroll per administrative employee	16,261	17,109	18,036
Payroll per sales employee	25,997	27,112	31,458
EXECUTIVE PAYROLL			
Payroll per executive - All executives	38,686	35,535	43,778
Payroll per factory executive	32,625	31,572	26,237
Payroll per administrative executive	51,219	55,798	64,436
Payroll per sales executive	36,821	36,878	27,500
RECEIVABLES			
Collection period	70.3	79.3	56.7
PROFIT			
Gross profit percentage of sales	18.03%	21.59%	17.54%
Average gross profit per factory employee	$ 15,921	$ 18,833	$ 23,293
Income before taxes percentage of sales	2.95%	10.17%	4.04%
Average income before taxes per employee	$ 2,288	$ 6,920	$ 4,033

** Sample insufficient for Profit Leaders.

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTING AND BINDING		PRINTING ONLY**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 0.79	$ 1.18	$ 2.40
Receivables	18.44	20.10	14.97
Inventories	12.19	22.72	8.86
Marketable securities	0.73	0.00	0.00
Other current assets	1.29	1.43	1.79
	33.44	45.43	28.02
Plant Investment:			
Land and building	6.46	7.36	4.43
Machinery and equipment	34.25	30.73	32.69
Other fixed assets	3.36	2.96	2.47
	44.07	41.05	39.59
Non-Current Assets	3.17	6.02	0.31
TOTAL INVESTMENT	80.68	92.50	67.92
INVESTMENT TURNOVER PER $100 OF SALES	123.95%	108.11%	147.23%
EARNINGS			
Cost of Product	$81.97	$78.41	$82.46
Selling Expenses	6.26	5.03	4.56
Administrative Expenses	8.02	5.56	7.67
	96.25	89.00	94.69
Income Before Interest, Other Income, and Taxes	3.75	11.00	5.31
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	4.65%	11.89%	7.82%

** Sample insufficient for Profit Leaders.

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	31	$ 5,166,000	$ 8,656,000	$ 455,000
TOTAL - PROFIT LEADERS*	6	8,266,000	12,245,000	1,201,000
BY SIZE OF FIRM				
ALL FIRMS				
$500,000-$1,500,000	3	743,000	1,157,000	(26,000)
$1,500,000-$5,000,000	8	1,372,000	2,543,000	31,000
$5,000,000-$10,000,000	11	3,882,000	7,071,000	289,000
Over $10,000,000	9	11,580,000	18,528,000	1,195,000
PROFIT LEADERS				
$5,000,000-$10,000,000	2	4,120,000	6,851,000	751,000
Over $10,000,000	4	10,340,000	14,943,000	1,426,000
BY PROCESS SPECIALTY				
ALL FIRMS				
Sheet-Fed Offset	16	4,628,000	7,981,000	450,000
Web-Fed Offset	4	8,705,000	10,840,000	540,000
Combination--Sheet-Fed/Web-Fed Offset	10	5,016,000	9,570,000	488,000
PROFIT LEADERS				
Sheet-Fed Offset	3	6,474,000	13,281,000	1,327,000
Combination--Sheet-Fed/Web-Fed Offset	2	7,117,000	9,055,000	973,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Printing and Binding	27	5,435,000	8,906,000	463,000
Printing Only	4	3,345,000	6,972,000	401,000
PROFIT LEADERS				
Printing and Binding	5	8,390,000	11,596,000	1,183,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in these books, these figures are arithmetic averages. See explanatory note on page 42.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	